

PUBLIC DISCLOSURE

AUGUST 16, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FIDUCIARY TRUST COMPANY

175 FEDERAL STREET
BOSTON, MA 02110

DIVISION OF BANKS
100 CAMBRIDGE STREET
BOSTON, MA 02202

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Fiduciary Trust Company (or the "Bank")** prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory".

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire assessment area, including low and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Fiduciary Trust Company is designated as a wholesale institution under the laws of the Commonwealth of Massachusetts. Under the CRA regulation, the CRA performance of wholesale institutions is assessed under the community development test. The community development test considers the activity and initiatives of an institution's community development lending, qualified investments and services with the primary purpose of community development. The institution's responsiveness to community development needs is also evaluated.

The Bank does not provide extensions of credit or credit facilities to retail customers. Therefore, the institution engages in community development activities primarily through charitable contributions and involvement in local organizations. Given the nature of its business, Fiduciary Trust Company has a satisfactory level of community development services and qualified investments and has exhibited adequate responsiveness to credit and community economic development needs in its assessment area.

PERFORMANCE CONTEXT

Description of Institution

Fiduciary Trust Company was incorporated under the laws of the Commonwealth of Massachusetts in 1928. The Bank engages solely in the management and care of property of others, both individuals and institutions, as trustee, executor, administrator, guardian and agent. Fiduciary is not in the business of making commercial loans, makes no mortgage loans, and accepts demand deposits almost exclusively from existing clients. Due to the nature of its business, Fiduciary received designation as a wholesale institution under the laws of the Commonwealth of Massachusetts in 1996. A wholesale institution is an institution that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers.

As of June 30, 2005, the company had total assets of \$48,341,043. A total of \$32,019,821, or 66.2 percent, represent money market, U.S. government securities, state, county and municipal bonds, and other common stocks. Loans comprise only \$50,000 of the total assets, which is negligible as a percentage. The Bank's sole office is located at 175 Federal Street in the financial district of Boston, Massachusetts.

Fiduciary Trust Company was previously examined for compliance with CRA by the Division as of April 26, 2001. The examination resulted in a rating of "Satisfactory".

Description of Assessment Area

Fiduciary Trust Company's assessment area consists of the City of Boston and the surrounding communities of Brookline, Cambridge, Chelsea, Dedham, Everett, Milton, Newton, Quincy, Revere, Somerville, Watertown and Winthrop. This entire delineation is located within the Boston and Boston-Quincy Metropolitan Statistical Area ("MSA").

The following provides demographic and economic information related to the institution's assessment area.

According to the 1990 U.S. Census data, the assessment area's weighted average of median family income was \$59,320, with Office of Housing and Urban Development ("HUD") adjustments for 2003 raising it to \$80,800. According to the 2000 Census data, median family income is \$59,320, with HUD adjustments for 2004 in the new Boston-Quincy MSA reflecting the weighted average to be \$75,300.

The institution's assessment area is comprised of 301 census tracts: 42 or 14.0 percent low-income, 113 or 37.5 percent moderate-income, 96 or 31.9 percent middle-income, 44 or 14.6 percent upper-income and 6 or 2.0 percent are not categorized. The low-income census tracts are located in the communities of Boston (38), Cambridge (1), Chelsea (2) and Quincy (1). The moderate-income census tracts are located in Boston (76), Cambridge (12), Chelsea (3), Everett (6), Quincy (2), Revere (6), and Somerville (8).

The City of Boston contains the majority of the census tracts in the assessment area (164 or 54.5 percent). In addition, 90.5 percent of the low-income census tracts and 67.3 percent of the moderate-income census tracts are located within Boston.

PERFORMANCE CRITERIA

Fiduciary Trust Company is designated as a wholesale institution under the laws of the Commonwealth of Massachusetts. Under the CRA regulation, the CRA performance of wholesale institutions is assessed under the community development test. The community development test considers the institution's community development activities, which are defined as community development lending, qualified investments and services with the primary purpose of community development. As defined under the CRA regulation, community development includes affordable housing for low- and moderate-income individuals, community services targeted to low- and moderate-income individuals, activities that promote economic development by financing small businesses or small farms and activities that revitalize or stabilize low- and moderate-income geographies. Fiduciary Trust Company's community development activities are detailed below.

Community Development Lending

As defined under the CRA regulation, community development lending includes loans that have community development as the primary purpose. Due to the nature of its business, the Bank generally grants loans only to accommodate existing clients and secures the loans with marketable securities. However, on December 27, 1990, Fiduciary granted a loan of \$25,000 to the Boston Community Loan Fund.

- **Boston Community Loan Fund ("BCLF")**

The BCLF provides loans to finance the construction or rehabilitation of affordable housing and for the economic development of low-income neighborhoods. The original loan was for three years at 4 percent interest. The loan was renewed twice, on December 31, 1993, and again on November 19, 1996, for three years at 2 percent interest. On December 14, 1999, Fiduciary Trust Company renewed the loan and increased the original \$25,000 loan to \$50,000 at a 3 percent interest rate. The \$50,000 loan has been renewed twice since the previous examination: In December 2002 it was renewed at 3 percent and in June 2005 it was renewed for 3 years at 2 percent.

Qualified Investments

As defined under the CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. In recognition of the many legal limitations on bank investments, and the long-term nature and complexity of many community development investments, the CRA regulation allows some reasonable consideration for the entire bank portfolio of qualified investments, not just those made since the previous CRA examination.

The Bank has provided grants to organizations that provide education and job skills training, neighborhood revitalization, youth programs and health and human services for individuals in need. In 2002, Fiduciary provided 115 matching grants totaling \$21,698 and 12 corporate grants totaling \$14,880; in 2003, 55 matching grants totaling \$18,085 and 6 corporate grants totaling \$4,700; in 2004, 116 matching grants totaling \$16,581 and 9 corporate grants totaling \$22,600; and year-to-date June 30, 2005, 40 matching grants totaling \$7,490 and 2 corporate grants totaling \$3,500, for community development

PERFORMANCE CRITERIA (CONTINUED)

purposes as defined under the CRA regulation. Examples of grants that qualify as community development have been provided to the following:

- Family Service of Greater Boston – A non-profit organization that provides health and social services to at-risk families and individuals primarily located in urban and inner city settings.
- Operation A.B.L.E. – A non-profit organization that provides education and job training skills to older inner city workers.
- Boys and Girls Club of Boston – A non-profit organization established to assist in the health, social, recreational and daycare needs of Boston's inner city youth.
- Additional Corporate Matching Grants – Fiduciary Trust Company has a policy of matching employee contributions to varying groups and organizations. The following are organizations, which by definition of their purpose, also qualify as community development: Charlestown Boys & Girls Club; Family Service of Greater Boston; Judge Baker Children's Center; Rosie's Place homeless shelter; Habitat for Humanity; the Pine Street Inn; Project Bread Walk for Hunger; the Stoughton Food Pantry; and the West End House.

In addition to the aforementioned grants, Fiduciary Trust Company contributes to the United Way through direct and matching corporate grants. The Bank's total contribution to the United Way was \$44,563 in 2002; \$45,274 in 2003; \$43,854 in 2004 and \$5,500 year-to-date June 30, 2005. Included in these totals was \$76,500 in corporate gifts that Fiduciary Trust Company requested be directed for use in community development projects and/or affordable housing projects.

The institution maintains a \$30,000 certificate of deposit at OneUnited Bank. OneUnited Bank is a minority-owned institution that carries the designation of a Community Development Financial Institution ("CDFI"). Community development investment credit is given for deposits accounts maintained in CDFI's.

Community Development Services

Because of the nature of its business, the Bank is not in a position to act directly to help meet the capital and credit needs of the greater Boston community. However, the company recognizes as its primary opportunity for contributing to the economic benefit of its community the active encouragement of its officers to engage in social service, both cultural and civic in nature.

In various capacities, Fiduciary Trust Company's officers are involved with community organizations. Through these involvements, the Bank's staff lends their technical expertise, experience and judgment to these organizations. Following are some examples of the involvements of employees. It should be noted that only those services that are primarily for a community development purpose and are related to the provision of financial services are mentioned.

PERFORMANCE CRITERIA (CONTINUED)

Positions held by various Bank officers include:

- Trustee and Executive Committee member of the Judge Baker Children's Center, an organization which provides education, service and research for at-risk children
- Treasurer of Dedham Temporary Home, a temporary shelter for women and children
- Business Advisory Committee member of Operation A.B.L.E., an organization which provides job skills training
- Finance Committee Member of Roxbury Home for Aged, an affordable housing facility for the elderly
- Member of the Board of Directors of Christmas in the City, an organization which provides housing, job placement for the homeless and holiday presents for homeless children
- Director of the Traveler's Aid Society of Boston, an agency which provides counseling and shelter care to the homeless
- Member of the Corporate Community Care Committee of the United Way of Massachusetts Bay
- Director and Past President of the Boys and Girls Clubs of Boston, an organization of inner city clubs for children and teens
- Overseer of Boston Plan for Excellence in the public schools, a foundation organized to support the Boston public school system

Fiduciary Trust Company performs duties as custodian and advisor for more than forty charitable organizations throughout the Boston area. The institution provides a 10 to 15 percent discount off of the normal fee on these accounts.

Given the nature of its business, the Bank has provided an adequate level of community development activities, particularly through the service of its officers and the provision of grants, as depicted above. The institution has exhibited adequate responsiveness to credit and community economic development needs in its assessment area.

FAIR LENDING POLICIES AND PRACTICES

As previously mentioned, Fiduciary Trust Company engages solely in the management and care of property of others, both individuals and institutions, as trustee, executor, administrator, guardian and agent. The delivery of trust services is the Bank's sole and single purpose. The institution does not provide extensions of credit or credit facilities. Due to the unusual business that the institution engages in, the stipulations of the Division's Regulatory Bulletin 2.3-101 Fair Lending Policies and Procedures are difficult to apply. However, management is expected to ensure all employees are aware of the responsibilities and requirements of CRA.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area.
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (175 Federal Street, Boston, MA 02205)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee, which does not exceed the cost of reproduction, and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.